

WSDOT 2005-07 OPERATING AND CAPITAL BUDGET REQUEST

BRIEFING PAPER

Prepared for the
AUGUST 2004 TRANSPORTATION COMMISSION MEETING

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PURPOSE:

The Commission is being asked to adopt the 2005-07 WSDOT Current Law Budget for operating and capital programs for submittal to the Governor's Office of Financial Management (OFM) on or before September 1, 2004.

ACTION/OUTCOME:

The Transportation Commission will discuss, finalize, and adopt the 2005-07 Current Law Budget and associated ten-year financial plan.

DISCUSSION:

2005-07 Budget Development Review and Status Update

OFM accepted the program structure changes approved by the Transportation Commission and submitted in April. The Legislative Evaluation & Accountability Program Committee (LEAP) approved the proposal on June 30, 2004.

In May, the Transportation Commission considered the draft 2003-2007 Business Directions (strategic plan) that identifies the department mission, management principles, and 2003-2007 Initiatives (the To-Do List) including various planned activities and performance measurements. The Commission discussed the WSDOT operating budget requests, including proposals recommended for inclusion in the 2005-07 Current Law Budget and proposals recommended for consideration if additional revenue becomes available.

In June, program representatives presented the Commission with a program overview, Current Law Budget Proposal Summary, and details of the WSDOT operating budget proposals. The Transportation Commission approved the current approach to develop the 2005-07 Current Law Operating and Capital Budgets and requested that the July Budget discussion include additional information on the capital budget proposal for review, discussion, and decisions.

In July, capital construction program representatives presented the Commission with activity and project proposals for Local Programs, Rail, Traffic Operations, Capital Facilities, Ferries Construction, and the Highway Improvements and Preservation Program.

Pro Forma Update

In May, June and July, the Commission reviewed the 2005-2007 Pro Forma for the Budget and Ten-Year pro forma displaying funding amounts for each operating and capital program within the limits of available funding from currently enacted taxes, fees and bond authorizations (generally referred to as current law funding). The Pro Forma reflects updated funding based on the June revenue forecast, resized bond assumptions, and recommendations for each operating and capital program within the limits of available current law funding. The funding levels for programs displayed in the capital pro forma are generally based on the Legislative Transportation Project List as approved in the 2004 Supplemental Budget. Adjustments to the capital program funding levels include amounts the department will want to specify for certain projects and necessary adjustments to balance to available funds over the next ten-year time period.

Program Overviews – Budget Book Detail

The 2005-07 Budget Book program detail is updated to reflect Commission direction for the operating and capital programs. Program detail includes an overview of the program, information on 2003-05 activities, proposed 2005-07 Budget, 2005-15 Financial Plan, and historical spending/funding trend charts.

2005-07 Current Law Budget

The 2005-07 Current Law Budget proposal focuses on project and program delivery. Both on the operating side and the capital side, the chief emphasis will be to assure continued usefulness and safety of the system in serving basic transportation needs and to invest in improvements to the system wherever the legislature has directed such projects and funding is available.

On the operating side, the budget continues the historical commission, departmental, and legislative priorities of system operations and maintenance. The budget emphasizes the safe and efficient operation of facilities in order to fulfill the needs of customers and to assure that good maintenance plays its proper role in contributing to the long useful lives of all system facilities. Operating highlights include additional funding for the following activities:

- Ensuring the safety of maintenance employees.
- Operating the toll facility for the Tacoma Narrows Bridge and maintaining and preserving the bridge.
- Clarifying critical information technology needs, including upgrading the department's web-based traveler information system to ensure that it will be operational at all times and developing a long-term modernization and integration strategy for aging computer systems.
- Addressing additional fuel costs and environmental management needs for the ferry system.

On the capital investment side, the project list has been essentially directed by the legislature with respect to most major projects. The projects achieve capital investment for critical safety and preservation needs of the state highway system and the state ferry system. The budget also includes substantial improvements and expansions of the transportation system in areas across the state. The most prominent of these projects are funded from the 2003 Transportation Funding Package. Capital highlights include a request to reflect updated costs and other revisions to rail projects funded by the legislature in the 2003 Transportation Funding Package and opportunities for legislative consideration for improvement projects included in the 2003 Transportation Funding Package.

Meanwhile, work currently underway by the Transportation Commission and the department, along with many others, to prepare an update of Washington's Transportation Plan continues. Every view of the transportation system seems to demonstrate the need for higher levels of investment.

In summary, the projects approved by the Legislature together with the 2003 Transportation Funding Package contain highway, ferry, rail, and transit projects that are badly needed. However, project investments not included as part of the 2003 Transportation funding package are very pressing and in this Current Law proposed budget face little prospect of moving ahead.

RECOMMENDATION:

The department recommends the Commission adopt the 2005-07 Current Law Operating and Capital Budgets.

For further information, please contact Bill Ford, Budget Chief, at 705-7500.

2005-07 Budget Development Process

